

McClintock	Posey	Shuster
McCotter	Price (GA)	Simpson
McHenry	Putnam	Smith (NE)
McHugh	Radanovich	Smith (NJ)
McKeon	Rehberg	Smith (TX)
McMorris	Reichert	Souder
Rodgers	Roe (TN)	Stearns
Mica	Rogers (AL)	Sullivan
Michaud	Rogers (KY)	Taylor
Miller (FL)	Rogers (MI)	Teague
Miller (MI)	Rohrabacher	Terry
Minnick	Rooney	Thompson (PA)
Moran (KS)	Ros-Lehtinen	Thornberry
Murphy, Tim	Roskam	Tiahrt
Myrick	Ross	Tiberi
Neugebauer	Royce	Turner
Nunes	Ryan (WI)	Upton
Olson	Scalise	Walden
Paul	Schmidt	Wamp
Paulsen	Schock	Westmoreland
Pence	Schrader	Whitfield
Peterson	Sensenbrenner	Wilson (SC)
Petri	Sessions	Wittman
Pitts	Shadegg	Wolf
Platts	Shimkus	Young (AK)
Poe (TX)	Shuler	Young (FL)

NOT VOTING—9

Boucher	Cassidy	Miller, Gary
Campbell	King (IA)	Perriello
Cao	Kline (MN)	Stark

□ 1213

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Ms. Wanda Evans, one of his secretaries.

GENERAL LEAVE

Mr. CONYERS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and insert extraneous material on H.R. 1106.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

HELPING FAMILIES SAVE THEIR HOMES ACT OF 2009

The SPEAKER pro tempore. Pursuant to House Resolution 190 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1106.

□ 1215

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1106) to prevent mortgage foreclosures and enhance mortgage credit availability, with Mr. SERRANO in the chair.

The Clerk read the title of the bill.

The CHAIR. Pursuant to the rule, the bill is considered read the first time.

General debate shall not exceed 1 hour equally divided and controlled by the chairman and ranking minority member of the Committee on Financial

Services and the chairman and ranking minority member of the Committee on the Judiciary.

The gentleman from Massachusetts (Mr. FRANK), the gentleman from Alabama (Mr. BACHUS), the gentleman from Michigan (Mr. CONYERS) and the gentleman from Texas (Mr. SMITH) each will control 15 minutes.

The Chair recognizes the gentleman from Michigan.

(Mr. CONYERS asked and was given permission to revise and extend his remarks.)

Mr. CONYERS. Mr. Chairman, I yield myself as much time as I may consume.

Members of the House, this very important legislation would limit an anomaly in the Bankruptcy Code which prohibits judicial modifications of principal residences, even though every other class of asset, from second homes to yachts, airplanes, investment properties, family farm, hotels, and even office buildings, is eligible for such treatment. I believe that this proposal represents a critical step that we can take to not only protect hardworking and honest Americans struggling to keep their homes in the midst of a once in a lifetime economic calamity, but to limit the downward cycle of foreclosures that are now damaging our neighborhoods, while, at the same time, protecting financial intermediaries and ensuring that judicial modification is considered only after every reasonable effort has been taken to achieve voluntary modification outside of the bankruptcy.

Mr. Chairman, on that note, I reserve the balance of my time.

Mr. SMITH of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, our country has fallen into a serious economic recession, a recession that is worsened by the foreclosure crisis. Until we address the rising number of foreclosures, it will be difficult for the economy to recover.

But some of what is in this bill we consider today will be helpful. Providing loan servicers a safe harbor from the threat of litigation if they offer borrowers meaningful loan modification will, in fact, help blunt the crisis.

But the bill also includes many counterproductive components, especially the bankruptcy provision. This bankruptcy provision not only will fail to solve the foreclosure crisis, but also will make the crisis deeper, longer and wider.

Allowing bankruptcy judges to rewrite mortgages will increase the overall cost of lending. Lenders and investors will hesitate to put up capital in the future if they fear that judges will rewrite the terms of their mortgage contracts. Less available capital and increased risk means that borrowers will pay higher interest rates in the future.

Allowing bankruptcy judges to rewrite mortgages will also encourage borrowers to file for bankruptcy. Under

this bill, a borrower will be able to reduce, for example, a \$500,000 mortgage to \$400,000. When housing prices rise in the future, that borrower has no obligation to pay back the \$100,000 amount they crammed down. Thus, the borrower receives a \$100,000 windfall. And experts predict that receiving this windfall will provide an incentive for borrowers to file for bankruptcy.

If bankruptcy filings increase as a result of this legislation, which is predicted, it is unlikely that the country's only 368 bankruptcy judges could handle the additional caseload in an effective manner. This will prolong the crisis as borrowers wait for their bankruptcy plan to be court-approved.

In fact, even Senator DURBIN, the primary sponsor of this legislation in the Senate, has stated that he is "willing to restrict" this legislation to subprime mortgages in an effort to make this proposal "reasonable."

So, the legislation we are considering today, and the "Housing Affordability and Stability Plan" announced by the President last Tuesday, really amount to another entitlement program, a program that comes at the expense of the 92 percent of the homeowners who are making their payments on time.

And it is a program that benefits lenders who wrote irresponsible loans and borrowers who borrowed more than they could afford. In other words, this legislation will punish the successful, tax the responsible, and hold no one accountable.

If we pass this legislation, what message does it send to responsible borrowers who are making their payments on time? How can we ask them to foot the bill for their neighbors' mortgages? What are homeowners to think if they pay back the full amount of principal they owe, while others receive a government-granted reduction in principal?

We need to do everything we can to help solve the foreclosure crisis, but we need to do so in a manner that doesn't bankrupt the taxpayers or our financial system and that is, in fact, fair to all.

And as we work to solve the foreclosure crisis, we need to remember how we got here. As the President said in his address to Congress on Tuesday, "It is only by understanding how we arrived at this moment that we'll be able to lift ourselves out of this predicament."

This foreclosure crisis was brought on largely by irresponsible mortgage policies. Those policies were implemented by lenders and supported by government-sponsored entities like Fannie Mae, who were all too willing to put profits ahead of prudence. Their irresponsible behavior was encouraged by Members of Congress and the Clinton administration. Too often borrowers, spurred on by cheap credit and little or nothing as a down payment, borrowed more than they could afford.

The mortgage bankruptcy provisions in this bill are not the answer. Allowing bankruptcy modification of home